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South Africa, Republic of

Avocado

Annual

2002

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Report Highlights:

South Africa's CY2002 production is estimated to have increased 33% percent to 110,000 MT from a year earlier because of good weather conditions and an 'on-year'. Estimates are for 40,000 MT of exports, 40,000 MT domestic consumption, and around 30,000 MT for processing. SAAGA's generic promotional campaign in the UK is resulting in increased demand for South Africa's avocados in that market.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Pretoria [SF1], SF

Executive Summary 1

Background 2

Production 2

Trade 3

 Exports 3

Policy 4

Marketing 4

Executive Summary

South Africa's CY2002 avocado production is expected to increase by 33% from a year earlier because of avocados alternating bearing cycle, an "on-year." Exports are estimated at around 40,000 MT (41% Hass and 59% Greenskins).

CY 2001 Avocado production resulted in a lower yield due to the avocado's alternating "off-year" The incidence of quality defects on exports to EU was also higher because of an "off-year". "Black cold" injury, especially on large-sized Fuertes, was higher than ever during the previous season, mainly caused by excessive maturity levels of the fruit sent to packhouses. Of the total fruit inspected, "soft arrivals" reached 3.34% and were mostly larger-sized Hass.

Background

Avocado production is the fourth largest subtropical fruit crop in South Africa. An average production of 10 million boxes (4kg) occurs from a tree bearing area of more than 11,000 Ha with about two million trees. The export season lasts between week 13-46. The industry has a growers' representative organization, the South African Avocado Grower's Association (SAAGA), consisting of about 500 members.

Avocados for export are kept in cold storage monitored by the Perishable Products Export Control Board (PPECB) for a period of at least about one month. Since 1990, South Africa's avocados have been exported under controlled atmosphere (CA) storage.

Production

PSD Table						
Country	South Africa, Republic of					
Commodity	Fresh Avocados				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	12750	12750	12900	12878	12950	12950
Area Harvested	11450	11450	12380	11500	12500	11615
Bearing Trees	2260	2100	2260	2150	2280	2200
Non-Bearing Trees	345	345	340	340	350	350
TOTAL No. Of Trees	2605	2445	2600	2490	2630	2550
Production	80000	83000	100000	110000	81000	84000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	80000	83000	100000	110000	81000	84000
Exports	36000	34000	45000	42000	38000	34000
Fresh Dom. Consumption	35200	36000	46000	40000	35000	32000
Processing Consumption	8800	13000	9000	28000	8000	18000
TOTAL DISTRIBUTION	80000	83000	100000	110000	81000	84000

CY2002 South African avocado production was good quality. Expected production next season is around 24% lower because of possible impact on drought, as well as "off-season" period.

In 2001, domestic market prices for South African avocados started high, with greenskins reported to be fetching R60 gross selling price, and Hass above R70, before reaching a low of R35 because of increased supply.

Trade

Exports

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Avocados		
Time period	Jan-Dec	Units:	Tons
Exports for:	2000		2001
U.S.	250	U.S.	230
Others		Others	
Belgium	19026	Netherlands	10319
Netherlands	10039	France	9470
United Kingdom	8835	United Kingdom	7469
Netherlands	7245	Germany	773
Spain	244	Japan	773
Germany	228	Belgium	503
Greece	42	Spain	416
Italy	22	Lebanon	130
Lebanon	12	Canada	74
		Portugal	69
Total for Others	45693		29996
Others not Listed	151		3774
Grand Total	46094		34000

South Africa's CY 2002 export volume is estimated at 42,000 MT (41% Hass and 59% Greenskins). Expectations are for improved prices for South African avocados shipped from the last week of June 2002 because of improved market conditions. Presently, export gross selling prices are between 5-6 Euros per carton for both Greenskin and Hass avocados. South African exporters compete with Israel and Spain for European markets during a period up till end of July.

CY 2001 exports reached about 34,000 MT with a turn-over of R180 million. Average returns were R18/carton for greenskins, and R22/carton for Hass.

The UK is still the most valuable market for South African fresh produce, followed by France and Germany. SAAGA's generic promotion in the UK, that continues since 2000, also proved to be successful with demand increasing significantly.

Policy

SAAGA, with a technical research budget of about R600,000, has produced a handbook which provides guidelines for avocado growers on how to implement EUREP-GAP.

Marketing

SAAGA's generic promotion in the UK has been successful and resulted in an increasing demand for South African avocados under the brand "Ripe N' Ready to Eat'. South Africa's avocado industry also plans to expand its sales in the US market in 2003/4. Currently they are improving their production practices to be in line with the US phytosanitary regulations.

There is also a concerted effort through promotional activities by SAAGA to increase consumption of processed avocados in the domestic markets. In July 2002, SAAGA launched an avocado promotion campaign, 'Mexican Avocado Fiesta', to attract buyers and promote them to sales. There had also been a number of marketing, public relations and media campaigns this year.

Sales to the informal sector directly from pack-houses are increasing. Another recent trend in domestic marketing is direct supply from pack-houses to supermarkets.